

Performance Management in the Public Sector: An Action-Research Based Case Study in Ghana

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Abstract

In a developing economy, with varying challenges, the need to adopt effective and efficient performance management and measurement systems is essential for growth, sustainability, and improvement in products, services and internal processes. Within the public sector, such a system will enhance the use of scarce public resources, ensure accountability, assure the public of operational transparency, and become a benchmark for other organizations. The entity under study, a statutory public sector organization, operates in a volatile economic environment due to its primary commodity, cocoa. Our research identified that The Entity (name anonymized) primarily used financial performance management and measurement systems and only nominally employed non-financial measures of performance. It is noted that organizations operating with a view of delivering only monetary value for its stakeholders, only by using financial measurements, cannot maintain long range sustainability. The researchers recommend a comprehensive and integrated performance management system, combining the Balanced Scorecard (BSC) and the Performance Management for Turbulent Environment (PM4TE) approaches. A pilot testing of the new design is being done and preliminary results are reported in this paper.

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1. Introduction

It is imperative that businesses need to make sound management choices, one critical choice amongst which is the identification and use of appropriate performance measurement and management systems. There is a need to design and implement a performance management system that will take into consideration the competitive realities within which the organization operates. The measuring system should be holistic, comprehensive and versatile. One cannot manage without measuring as the adage goes. Measuring and managing performance enhances the efficiency and effectiveness of organizations. According to, Kaplan and Norton (2008) every organization aims to out-perform its competitors and deliver sustained greater profits to the owners while satisfying other interested parties and the society at large.

To ascertain the wellbeing of the company, there is a need to measure and manage its performance. It is suggested by Armstrong (2012), Boxall and Macky (2009) and Cokins (2009) that as part of general organizational strategy, performance measures are used to appraise, budget, control, inspire, encourage, celebrate, acquire knowledge, evaluate and improve. There is no distinct performance measure suitable for all purposes (Armstrong & Baron, 2012). Customers and stakeholders often measure performance for success, quality improvement, transparency, and endorsement for its products and services by the output of the

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organization. Performance management and measurement is a forward-looking, and continuous process (Amstrong & Baron, 2012).

Measurement systems in organizations have both positive and negative effects on employees. Positively it motivates them to attain and achieve set targets with a view to receiving some reward and also enhancing self-confidence and self-satisfaction. It also creates a sense of accomplishment when employees realise their actions and decisions enhance the organization's improvement. According to Amstrong (2012), employees must be positively reinforced for desired performance. The other benefit is to help cross-functional teamwork and cooperation amongst different departments and units (Farris, van Aken, Letens, Chemarksul, & Coleman, 2010). Employee knowledge, involvement and buy-in are to be solicited for the success of implementing such a system (Armstrong & Baron, 2012). Employee needs are also assessed with a view to developing their capabilities and competences (Amstrong & Baron, 2012). On the other hand, performance may be curtailed, reduced or resisted when employees perceive it to be imposed (Armstrong, 2012).

The study will identify and discuss the performance measurement system in place at a public organization. It will further explore whether the system in place is comprehensive enough to enable the organization achieve its set objectives, with a view to improving the performance of the organization and that of the employees and verify whether the strategy of the organization is linked to its operations. The study will further highlight the linkages between the organizational strategy and goals and individual goals. The study is structured to identify whether financial and non-financial performance measures are in place and appropriate recommendations made to adopt a holistic system. The study used the qualitative research methodology employing action research design. The research findings will add understanding to the existing body of knowledge and literature in general and the Crop Industry of Ghana in particular.

2. Background

The organisation is a statutory public organization established by an Act of Parliament, and the Government of Ghana controls it. A ten-member Board of Directors who has a variety of experiences and knowledge governs the entity. The Managing Director, who runs the day-to-day activities of the organisation, is the head. He works with three Deputy Managing Directors. The Deputy Managing Director are in charge of Finance and Administration, Agronomy and Quality Control, and Operations. The main objective is to buy and sell good quality crop.

The Corporate Head Office coordinates and regulates the Ghanaian Industry. The entity has gone through various structural adjustments and changes to enhance its performance. These structural adjustments were implemented to bring efficiency, transparency in operations and accountability into its operations to satisfy its stakeholders. The main stakeholders who are interested in the growth and success of the organisation are the Government, Farmers, Buying Companies, Haulers, Financial Institutions, Foreign and Local Processing Companies, Management and Employees. The entity focuses on increasing production and maintaining the premium quality of its crop beans to the satisfaction of its customers and all stakeholders.

Ghana depends on crop for revenue. Crop is currently the main foreign exchange earner, with oil and gold supplementing the income for Government (Bank of Ghana, 2013). As such the Industry is very important to the Ghanaian economy. There are over four million Ghanaians who depend on the industry either directly or indirectly through ancillary economic activities (Ghana Statistical Services, 2012).

3. The Research Problem

The organisation relies solely on traditional financial performance measures despite the availability of other non-financial performance measures. In terms of evaluating performance from a shareholder's perspective, financial measures provide only confirmatory evidence or historic evidence. As a result of the limitations of the financial measures. The organisation may not be able to wholly link its strategy to its performance for improvements and growth. The implication is low profitability, low staff morale and stunted growth. The lack of multiple measures or combining both financial and non-financial measures has left the organisation with an incomplete understanding of its performance and prospects. This has resulted in a lack of transparency in operations, which has contributed to a workforce that is not motivated. Ultimately this has led to a loss of income for the past four years and potential future income to the organization and the government of Ghana. It is evident that the organisation as a multi-faceted organization requires not only financial measures, but measures that drive performance to enhance the attainment of the organizational goals and objectives.

Managing and measuring performance in an organization helps to assess successes and set future strategies to reach a stable long-term growth path and success (Neely, 2011). According to Farris et al. (2010), a lot has been written on performance measurement and management as an on-going process in organizations. Each organization is unique with specific characteristics and what would work in some organizations may not work in others because of the organization's structure, culture and the environment in which it operates. The need to manage, measure and evaluate performance of organizations is to provide a platform for sound decision making, to help grow the organization and to provide adequate returns for stakeholders (Brealey, Myers, & Allen, 2011)

Good performance management also helps organizations run more efficiently and to avoid the pitfalls experienced by some companies. Much as a lot of literature exists on performance measurement and management, it is an on-going process, and each organization is taken as unique with specific characteristics. The study will add to the existing body of literature by identifying the gap in using wholly financial measures. Furthermore, it will add to the body of knowledge and literature, the benefits of incorporating both financial and non-financial measures for improvement of organizations. The study will further add to the body of knowledge the benefits of incorporating performance measurements under turbulent environmental conditions. The other significance of the research is to recommend appropriate performance management and measurement system for The entity to enhance its effectiveness and efficiency and improve its operations. It is also for developing additional research on performance management and to address the issues of performance management and measures, which are symptomatic of most statutory public institutions in Ghana. In order to maintain best practice, performance management must be instituted. There is a direct relationship between performance management and measurement and the progress and growth of an organization.

The proposed research is essential for the following reasons:

- It will help assess the entity's achievement and sets future strategies for long-term growth.
- It will aid the entity in its continuous quality improvement and the offering of adequate rewards and improving the skills and competencies of its employees.
- Performance management is particularly beneficial to organizations with distributed workforce like the entity and can be useful as a tool for maintaining a consistent approach to managing people across organizations.
- It will highlight the importance of measuring systems for efficiency and effectiveness, profitability, control and shareholder wealth increase.

- As a 3-billion dollar turnover company, its importance to the government and economy of Ghana and all stakeholders makes it imperative for such research.

Research Questions

Question 1

How is performance measured and managed in the organisation?

- a. How comprehensive is the entity's performance measurement system?
- b. How is the purpose of the performance measurement system achieved?
- c. How can the system be improved?

Question 2

What measures can be implemented to improve the present system?

- a. What implementation plan and evaluation measures can be put in place to ensure the performance management system is on-going?
- b. What changes can be made that will result in improvement?
- c. What performance measures should be employed during turbulent times?
- d. What other measures can be used by the entity to improve efficiency?

4. The Study Method

The methodology adopted was qualitative, and the design was Action Research (AR). The choice of AR methodology was especially useful given the direct involvement of the first author as an employee in the operations and management of the entity. The Researcher has worked with the organization for thirty-three years. Primary and Secondary research was employed. The data was collected using interviews, observations and focus groups.

Primary data was collected mainly through interviews, observations, and focus groups with various employees of the organisation. Some of the information collected, especially on performance appraisals were sensitive and confidential and was treated as such. The target audience of those interviewed spanned from support staff to the Managers of the various Units of the organisation. A cross-section of the various groups in the organization was selected with a view to incorporating their knowledge of the organization, strategic leadership skills, their vision, human resource knowledge, corporate finance knowledge and their opinions on the issue.

Twenty individuals were interviewed, a minimum of three from each division. The purpose was to seek different perspectives on the effectiveness of performance management. The target respondents included a board member, directors, senior managers, human resource employees, and middle management and support staff in the organization. The choice of personnel for the interview was to assure that different perspectives from persons of knowledge within the organisation were selected. It was to capture and describe their experience, perception, description and judgement of the phenomenon being studied, The Board member, not an employee of the entity, was selected as a result of his knowledge of the strategic direction of the entity. The directors referred are employees of the organisation as well as the senior managers with in-depth knowledge of the entity. The other staff are managers from within the human resource, finance, crop marketing, and economic research departments whose work schedule, directly or indirectly, involve performance management and measurement.

Apart from the board member, the rest of the respondents were selected from the Head office and Divisions and subsidiaries of the organisation, so they could incorporate their knowledge of the crop industry, and their strategic leadership skills to enable the researcher make meaning of their responses. The selection of those interviewed was based on their

seniority, status, strategic vision, expertise and their independent opinions on performance management in the organization. The larger group was to help get the necessary information and a richer account of the phenomena being studied. The larger group with varying experience further enhanced the credibility of the research. The main limitation of such a large group was the time involved in the interviews and also bringing all the data together for the analysis.

The data collected was made into field notes and transcripts, grouped together and converted into a matrix by using an Excel Spread Sheet. This was infused with available secondary data, as felt appropriate. Narrative analysis was used to examine the data collected (Salkind, 2011). The results obtained and recommendations made, were then implemented, after which follow-up interviews conducted and review meetings held for further improvement. During the actual implementation of the action taken, an ad hoc performance management team comprising some key personnel was put in place. The evaluation stage involved the evaluation of the actual action taken with a view to identifying deviations for remedy and improvement. The results were communicated to the staff and stakeholders, to solicit their involvement.

5. Analysis and Findings

The transcribed interview responses were given codes from PMW1 to PMW20, each code corresponding to an interviewee. To further assure credibility, the transcribed spread sheets were shared with each respondent to correct or affirm whether the recordings were accurate and expressed fully their intentions, understanding and knowledge. The transcribed responses were further grouped, for example all responses under question one were put under question one. They were further filtered into themes to focus the analysis, out of which five themes emerged as shown in Table 1 below for analysis.

Table 1. Grouping of Interview Questions

Question	Question Numbers for Grouping
Understanding what performance management is	1,2,17 & 19
Whether financial or non-financial measures are used	8, 18 & 20
Effectiveness of Present System	3,6,7,9,13, & 14
Challenges of System	4,5,10 &16
Suggestions to Improve	11,12 & 15

Summary of Responses: Effectiveness

To the question whether the current performance measure was effective, the answers were varied. Fourteen respondents believed the existing performance measurement system was not effective. This represented 70% of the respondents. On the other hand, three responded that the current system was effective representing 15% of the respondents. The other three respondents were not able to indicate whether the system was effective or not. Eight of the respondents who said the system was not effective, thus, PMW1, PMW2, PMW3, PMW4, PMW5 and PMW7, PMW8, PMW12 made statements as to indicate their reasoning. Some of the quotes made by them are indicated below:

PMW1: Not effective, need to implement a system that will take care of customers, processes and staff in addition to the financials.

PMW2: The entity has rejected the other facets of performance and concentrating only on financial measures.

PMW3: Not effective because it has been financial measures only. The system is not linked to the strategy document.

PMW4: It is one sided, only financial analysis; I guess we can add non-financial measures. Communicate all policies to the shop floor.

PMW5: The current appraisal system is flawed with bias and subjectivity.

PMW7: It is important to combine the existing system with non-financial system to make it efficient and comprehensive. Staffs are not involved in implementing.

PMW8: No, other perspectives are not taken care of.

PMW12: Not that I know of. Occasionally we use budgetary controls and nothing more. Even as Traders we expect that our customers would be taken care of.

On the other hand, three respondents believed the system was effective and made some statements to that effect shown below. Some of the quotes by the three respondents PMW9, PMW13, and PMW16 are below:

PMW9: It's an effective system, our monthly budget performance reports assist management in financial planning, and cost control, which in-turn eliminates waste.

PMW13: Sure there is a good system of staff appraisal, I also know the Accountants prepare financial reports to the Board every month. As you are aware we can bring on board the non-financial to boost the existing system. Management needs to communicate its policies effectively.

PMW16: We prepare an annual financial report to the board highlighting profitability, cash flow and crop sales report. It can be improved by adding other operational analysis.

The remaining three respondents, thus 15% of the total participants, were unsure if they could say that the present system employed was effective. To them, they were quite far removed from the process and could, therefore, not comment either way. It appears from their responses that the business strategy had not been cascaded down to all employees in the organization. It also indicated the need for effective communication of policies across the organization.

Summary of Responses: Comprehensiveness

When asked the question whether the existing performance measurement system was comprehensive, three (PMW13; PMW16 and PMW19) responded in the affirmative. They made arguments to support their point.

PMW13: The financial measures are effective, and are used for budgets, financial analysis and used for the assessment of shareholder wealth.

PMW16: They are the traditional performance measures enabling management to assess profitability and liquidity of the organization to avoid insolvency. We should be able to pay our debts as and when they fall due.

PMW19: It enhances management decision-making in financial planning for the entire crop industry.

On the other hand, twelve indicated that the present system was not comprehensive. Responses and quotes from seven of the twelve are indicated below (PMW1; PMW6; PMW8; PMW9; PMW10; PMW17; PMW18).

PMW1: In the era of performance measures, the organisation should adopt a comprehensive system for improvement of operations and staff development spanning every aspect of its operations.

PMW6: There should be other non-financial measures to complement the financial measures. We need to satisfy our customers and employees.

PMW8: We need to capture the Chinese market; a comprehensive performance measure is a must and satisfies our customers.

PMW9: A comprehensive performance measure for the organisation is a must.

PMW10: The organisation should take all the perspectives of the BSC model.

PMW17: Only financial measures are not comprehensive, additional non-financials will make it comprehensive.

PMW18: There is the need for new staff appraisal system, maybe a 360-degree appraisal or a hybrid of the current one, then a training and development policy to be improved.

Summary of Responses: Purpose Orientation

When the question was posed whether the present system was achieving its purposes, fourteen respondents, representing 70% of the respondents, believed that it was not achieving its purpose. Some of the quotes as taken directly from eight of the respondents (PMW1; PMW2; PMW3; PMW4; PMW6; PMW7 PMW9; PMW10) are shown below:

PMW1: We need to do massive promotion to acquire customers from the far-east and other eastern European countries, ensure existing customers are satisfied and retained, the need to improve internal processes should not be over-emphasised, and training of our staff should be paramount.

PMW2: We need to put measures in place to ensure new recruits are integrated into the system.

PMW3: We need a well-trained and motivated staff.

PMW4: The enthusiasm with which the strategy document is prepared, should be the same to ensure that it is being fully implemented, it is not only financial matters.

PMW6: We should not expend all our efforts on the financial measures to the detriment of our valued customers, developing internal processes and having knowledgeable and innovative staff.

PMW7: We should align the strategy to the work schedules of the staff; everybody appears to be doing his own thing.

PMW9: The information for us to work effectively is with management, all this must be communicated to staff.

PMW10: It has not achieved its purpose because it is not total performance measurement, the volatility of prices, the issue of residue levels, the issue of worst forms of child labour, the changing climatic conditions have all not been factored into the program.

The common thread that runs through the responses of those who indicated that the current system is not effective, not comprehensive and not achieving its purposes is the need for a system that will take all the facets of performance management and measurement into consideration. It was obvious from the respondents that majority of them, fourteen participants, believed that the present system was not achieving its purpose. To the four participants, it was achieving its purpose but perhaps needed to be fine-tuned, as managing performance is a continuous process. The remaining two participants, thus 10%, could not make a decision as they stated that they were not fully aware of the performance management process, and therefore, could not say whether it was achieving its purpose.

Summary of Responses: Need for Improvement

All the respondents believed that there must be improvement in the current measurement system. The majority of the respondents suggested that the system needed to be improved immediately, whereas two held the view that the present system could work at least for the next five years before requiring any major improvements. To the two respondents, once a little planning was added to the appraisal process, the performance process would be adequate. One respondent felt that since the current system has been working without fail, there was no need of changing. PMW18 indicated, "Why fix it if not broken". The other three respondents indicated that a complete overhaul of the system was required, and they were not sure that the organization was committed to making that change or spending the required resources to improve the process. Clearly all the respondents believed that there must be improvement in

the current measurement system. Further engaging them on the time and availability of resources to improve the system, notwithstanding that there was a need for improvement of the entire system, it was apparent that the improvement be made gradual over a period of twenty four months, and the necessary financial resources were to be found for such a system that will improve the overall performance of individual employees and the organization as a whole.

Summary of Responses: Financial and Non-Financial Balance

When asked to describe whether the current system was financial or non-financial fourteen of the respondents, making 70% of the total participants, described it as financial as shown in Figure 14 above. Responses from six of them (PMW1; PMW2; PMW4; PMW7; PMW16; PMW20) are quoted below:

PMW1: Most of the reports from management deals with one finance issue or the other, budgets, budget performance reports, half yearly and annual financial statements and financial analysis of all kinds, you lose sight that you are not a financial institution. There should be comprehensive reports on customers, operating processes and employee development.

PMW2: It's been all financial measurement reports apart from the annual staff appraisal report.

PMW4: There are a lot of reasons why the current system is financial, but will attempt to give two reasons, one is financial analysis and two is always financial performance reports.

PMW7: Since I have been here, I have never read any detailed report on our customers who buy our produce.

PMW16: We need a balanced system of financial and non-financial measures.

PMW20: It is said that the customer is king; we need to use that principle to satisfy our customers.

Very apparent in the organization was mainly financial measures that projected a skewed measurement. To the respondents, there was a need to combine both financial and non-financial measures of managing performance to obtain a more accurate picture of how well the organization was performing. On the other hand three respondents believed that the organization used both financial and non-financial measures. Pressed on the kinds of non-financial measures that were being used, most of them could not give examples other than the appraisal process, which they said, requires improvement. There was a debate amongst the other three respondents, who believed that only non-financial measures were employed. They argued on the basis of the BSC model as indicated by PMW8: The model entails financial, customer, internal process, and staff affairs. *expenditure*.

6. The Action Research

The initial findings from the first round of interviews prompted recommendations to be made and a review of the key performance indicators for the executive team. In order to accomplish the approach of action research, the recommendations were piloted with a small group chosen from representatives from each grade in one subsidiary. These representatives had taken part in the initial survey. After three months, the chosen representatives were interviewed and asked the same questions again. Table 2 shows the results for both the first and second round of interviews.

Table 2. Differences in the pre and post implementation responses

	Pre Pilot	Post Pilot
Comprehensive	15%	80%
Effective	15%	70%
Achieving its purpose	20%	85%
Can the system be improved	70%	85%
Both Financial or Non-Financial	15%	75%

CMC is the subsidiary that has responsibility for internal and external marketing of crop. They are responsible for taking over crop purchased from farmers by buyers, warehouses the crop, and sells the crop to local and foreign processors. It is responsible for collecting the sales revenue for the organisation. The Company is directly responsible to the Deputy Managing Director in charge of Operations.

Amongst the KPIs drawn from this research presented are the following:

1. Take over one million tons of crop per annum; during the peak period of October to January, take over 50, 000 tons per week for 14 weeks.
2. Starting from November ship 90,000 tons of crop per month
3. Proceeds are to be collected 7 days after submitting shipping documents to buyers.
4. Sales collections from local processors are to be made one month after delivery.
5. Explore sales in non-traditional markets.

In order to ensure that the company was able to deliver the above KPIs, there had been injection of investment to acquire and install conveyor belt system to enhance crop take over, storing and shipment. Weighing bridges were also installed at all take over centers to enhance weighing of crop. An electronic system of collection was also implemented. The staffs were trained to be adequate in knowledge and skill to operate the new systems and technology. During the review meetings it came out that collections of proceeds were done within four days from foreign customers. Collections from local customers exceeded the credit limit to about three months. As a result of the delay and the outstanding indebtedness of local processors, a new KPI was instituted, that is, all local customers are to submit bank guarantees before crop is sold.

As a result of the outcomes of a series of further review meetings, a maximum of ten KPIs was developed for each executive of the organisation, starting from the Managing Director. The broad strategy and objectives of the organization were broken into measurable performance indicators.

Managing Director

1. To ensure the production and sustenance of one million tons per annum for three consecutive years and thereafter ensure growth of 25% for the next 3 years
2. To ensure sales turnover is increased by 20% per annum for the next 6 years
3. To ensure global market share is increased by 20% from the current market share of 25%

4. To ensure the production of twenty million new hybrid high yielding seedlings per annum
5. To ensure that yield per hectare is increased from 350 kilos to 1,000 kilos per annum
6. Ensure that soil fertility is enhanced by encouraging the application of a minimum of four million bags of fertilizer per annum
7. Ensure the removal of two million five hundred thousand diseased and over aged crop trees in the first year and subsequently one million five hundred thousand per annum.
8. Ensure net profit after tax grows by 18% per annum.
9. Ensure warehousing capacity is increased by 20% per annum from existing capacity of four hundred and fifty thousand tons.
10. Ensure the spraying of two million hectares of crop farms with appropriate insecticides and fungicides per annum.

A maximum of ten KPIs is also developed for the three Deputy Managing Directors, each based on the KPIs of the Managing Director and their respective functions.

Deputy Managing Director (Finance & Administration)

1. To ensure all sales revenues are collected and accounted for within seven business days of buyers' receiving documents.
2. To ensure the effective reduction of cost by 10% per annum.
3. To ensure monthly financial performance appraisals are submitted ten days after the end of the month.
4. To ensure all shipping documents are submitted to buyers two days after shipment of produce.
5. Ensure that the consolidated budget of the industry is prepared and approved by end of August each year.
6. Ensure the construction of one hundred thousand ton capacity warehouse for first eighteen month and subsequently fifty thousand ton capacity for every other year up to the 6th year.
7. Ensure sales are increased by market segment by 15% per annum with a higher concentration on the Asian market
8. Ensure employee performance appraisal is to be completed within 15 days after year end.
9. Ensure the growth in training of employees on capital by 20% per annum.

Deputy Managing Director (Agronomy & Quality Control)

1. To ensure the importation of four million bags of fertilizer per annum for distribution to farmers.
2. To ensure scientific research into draught resistant hybrids and disease resistant hybrids and produce same to farmers through Seed Production Unit (SPU).
3. To ensure on an annual basis the training of two hundred thousand farmers on quality assurance eight buying companies.
4. To ensure that two million hectares of crop farm lands have been sprayed with insecticides and fungicides per annum.

5. To ensure the production of twenty million hybrid seedlings ten million seed pods per annum for farmers per annum.
6. Remove mistletoes from ten million trees per annum.
7. Replant twenty million seedlings per annum.
8. Grade a minimum of one million tons of crop per annum.
9. Annually inspect all warehouses across the country to ensure they meet quality standards.
10. Ensure the fumigation of all warehouses within the take-over-center per annum to ensure the warehouse are free of insects.

Deputy Managing Director (Operations)

To ensure that all buying companies have renewed licenses by 1st October each year, to ensure continuous operations.

1. In order to enhance planning for the coming year, crop forecasting is to be done by 30th June each year.
2. Ensure that all crop purchased is evacuated from the depots to the take-over-centers.
3. To ensure that all contracts for crop deliveries are shipped to foreign and local buyers within the year, grow shipments by 10% per annum and in consonance with the production strategy.
4. To ensure that 100% crop produced and taken over within a year is sold, and all stocks are accounted for at end of the year.
5. To ensure all crop taken over is properly warehoused with appropriate documentation with a maximum of 0.1% wastage.
6. To convene quarterly meetings with the buying companies to review their performance.
7. To reconcile crop purchased by each buying company and compare with budgeted purchases with a variance of 10% monthly.
8. To expand market share by 15% per annum selling at least 30% of produce to Eastern Europe and the Asian market.

All the KPIs developed were based on the BSC model, taking into consideration the financial, customer, internal process and learning and growth perspectives. With the development of KPIs for the Deputy Managing Directors, further KPIs are developed for all Directors with further KPIs developed and cascading to the Managers and other personnel.

7. Conclusion

The purpose of this study was to find out whether the organisation had a performance management and measurement system and to understand whether it was effective and to ascertain whether the measures are linked to the organizational strategy. It was also expected to recommend a comprehensive performance management and measurement system for the entity.

The study highlighted that effective management is dependent on a well-planned measurement system. The analysis of the results suggests that the entity relies on financial measures in managing its performance and currently does not have an efficient system that can be used across the organization. In order to achieve the expected results and outcomes of

managing and measuring performance in the organisation, it is pertinent that the following findings, their respective implications and recommendations are considered.

Strategic Linkages

Using wholly financial measures based on historical financial data is less useful in predicting the future (Bourne et al. 2000; Kaplan & Norton, 2006). The organisation has a system of measuring performance that is not fully linked to its strategy. The implications for managerial consideration are that when strategy is linked to performance, growth opportunities are generated for customers and shareholders. Important and strategic processes required for growth, profitability and innovation are highlighted for management attention. Organizational strategy, which clarifies the purpose of existence of the entity, defining its future path for growth and shareholder wealth creation, could be well executed and managed effectively.

There is the need to translate the strategy into objectives, initiatives and assignments customized to each group or individual within the organization. With this, timely information is, therefore, made available for management decision-making, processes and plans are optimized, and employees become proactive in the discharge of their duties. When strategy is linked to performance, growth opportunities are generated for customers and shareholders. Important and strategic processes required for growth, profitability and innovation are highlighted for management attention.

Financial and Non-Financial Measures

Most of the measures of performance being applied by the organisation were financial in nature. Mostly financial measures were in place in the organisation, which included, but not limited to budgetary control and financial statement analysis. As a result of an over reliance on financial goals, the organization neglected other key perspectives such as customer, learning and growth and internal business process, without which the organization's growth and decision making would not be optimized (Andone, 2009; Cokins, 2009; Eckerson, 2011). Solely concentrating on financial measures implied neglecting the non-financial measures that would enhance good customer practices, such as segmentation on regional basis (Asia, Indian sub-continent, Eastern Europe, Western Europe, North America including Canada and South America, South Africa) and also on the basis of quality for customer retention and satisfaction. In addition, as a result of an over reliance on financial goals, the entity neglected other key perspectives such as, learning and growth and internal business process critical for improvement and enhanced competitive advantage.

Development of KPIs

It is recommended that the organisation develops KPIs which should be uniform across the whole organization, as they help management to set targets and direct attention to the performance of the targets. It also focuses employees' attention to the most important processes and functions. Based on the adage "one cannot manage what he or she cannot measure," a maxim can be created "one cannot measure performance without KPIs." The KPIs developed while in the implementation stage should be adhered to, as they serve as a linkage between strategy and targets and also could be used as a basis of supervision. It will also enhance goal congruence of the organization. Targets, outcomes and results must be clearly defined, and then align strategy to objectives and actions and procedures. Establish specific achievable milestones as indicated. The performance indicators selected should be simple, valid, consistent, affordable and appropriate to the activity selected for measurement and management.

Ineffective System

The management of the organisation had to deal with an ineffective way of measuring and managing performance. Ancillary to this is sub-optimal decision-making process across the industry, inadequate training and development for employees, and lack of customer satisfaction and retention. It came out that the organisation needed to improve the overall performance measurement and management system both on an organizational level and for the individual employee as well. A more comprehensive system, which incorporates both financial and non-financial measures and linked to the overall organizational strategy, should be implemented. In addition, a comprehensive performance measurement system which takes into account turbulent environmental nature should be incorporated to ensure the effective measurement and management of performance in the organization. The performance measurement system including data collection must be simple and cost-effective. The need to communicate goals to all stakeholders and provision of adequate resources for the success of the implementation cannot be over-emphasised. The performance measurement system should be positive in outlook with a view to enhancing decision-making and improve organizational and individual performance. An effective performance measurement system that takes into consideration customer needs is to be implemented.

Involvement of Staff and Training

The organisation did not involve staff in the implementation of the performance measuring system and it was also not communicated to staff forcefully. Employees felt that management imposed the measurement system. Added to these findings, was a lack of adequate knowledge of performance systems, and those who exhibited some knowledge exhibited very scanty appreciation of performance systems (Boselie, Dietz, & Boon, 2005; Cokins, 2009; Wolff, 2010; Redman & Wilkinson, 2012). The implication of the lack of involvement and lack of adequate knowledge by employees of the performance measurement system is a poor attitude towards work and apathy in performance of functions. With very little staff-buy in the implementation process was flawed.

Learning and Growth

The organisation maintained a performance management and measurement system, the practice and understanding of those systems did not resonate well within the organization. Staff should be educated and encouraged to participate in the implementation process. The overall benefits of the system to employees as individuals and the organization as a whole should be communicated to them as part of the training program. It is recommended that the entity creates a learning environment to train employees to assure management of improved performance. Training programs are to be organised for the employees both at the initiation stage and the feedback stage, and also training in the use of the newly accepted appraisal form. The training should highlight the importance of performance management and measurement to the organization and the employees, indicating the benefits of individual development, teamwork, building a healthy relationship between staff and line managers, building a mutual trust, and the feeling of ownership of the system by employees. The training will lead to producing innovative products and enhancing efficiency in performance.

Leadership

The credibility of the leader of the implementation team and management's commitment and support to overall performance measurement is critical for the success and total acceptability of the performance system by all involved. The use of action research also highlighted the need to

reinforce statements thus, saying it and saying it again, and engender commitment and involvement as employees see the total involvement and commitment of the leader and management in driving the process to a successful completion.

Staff appraisal

Staff performance appraisals needed enhancement, as the current system was perceived to be biased, subjective and lacked transparency. It was found that the current system where staff was promoted irrespective of performance appraisals should be discontinued. Employees believed that the appraisal should be tied to pay rises and bonuses so that hard work is compensated and laziness and apathy not rewarded. Management of the entity had to contend with low staff-morale, poor work output and worker apathy and also mistrust amongst employees. Employees are expected to perform their duties based on set standards and targets. When employees are apathetic to organizational goals, their output will be below expectation, which will eventually affect the organization negatively. Employees may not be fully committed to the organizational goals, and there may be a lack of goal congruence, a lot more employees will call off sick, be at work late and may indulge in affairs detrimental to the organization.

Performance Review

In order for the organisation to have the full benefit of performance management and measurement system, it is important that the review of the system is given to a responsible official who has the relevant authority to ensure its success. The review process should be structured properly, identifying those who are to be part of the meetings. There must be a cross-functional team to review the system. The review should ask salient questions that will enable corrective actions to be taken and where commendations needed, to be given. Ensure the review meetings deliver value, such as presenting data visually, setting attainable targets but not arbitrary targets. Implement a review process is to maximise the likelihood of success. Initial piloting in a Unit or Department is more likely to accept the process. There should be an effective way of communicating the performance measurement framework and the resulting actions required for implementation and review. There should be a robust performance system in place that recognises best practice. There should be a systematic and deliberate attempt to inculcate performance ideas into the culture of the organization. Apathy and laziness should be punished, and performance of targets be rewarded (Farris et al. 2010).

BSC with PM4TE

It can be gleaned from the research that the BSC with PM4TE be recommended as a holistic, and a comprehensive performance management and measurement system for the organisation. The BSC with PM4TE takes into consideration the four perspectives, financial, customer, internal business process and learning and growth perspective and taking into consideration the turbulent environment that the entity operates. From the research, the need to adopt the BSC with PM4TE was highlighted since such a system is derived from its strategy and capabilities.

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